

True Partnerships with India for a just transition

The G20 summit in 2023 has underlined that India, as the most populous country in the world and its fifth largest economy, is indispensable to address common global issues. In particular, India plays a key, yet complex, role in confronting climate change – torn between a rapidly rising energy demand and the imperative of a zero-carbon future, India has set itself ambitious targets, especially in the field of renewable energy. These support India’s transition towards a low-carbon future in a just, inclusive, and equitable manner.

Countries of the Global North meanwhile have predominantly caused the climate crisis and bear a double responsibility. They need to rapidly decarbonise their own economies and support other countries - like India - in their efforts. Yet, the Global North’s contributions fall well short of the promised \$100bn year climate finance goal for the Global South. Most recently, Just Energy Transition Partnerships (JETP), established with countries such as South Africa and Indonesia, have spurred controversial discussions. Critics argue that their programme is dominated by the Global North, is too narrowly focused on exiting coal and builds on debt-led financing. Instead, a more comprehensive understanding of just transition is necessary – one that centres highly concessional and grant-based financial support across sectors from renewable energy, to infrastructure and manufacturing, alongside coal. Moreover, to be truly just, the social and environmental costs and risks for affected populations need to be taken seriously, in particular through the provision of social securities and compensation, the distribution of benefits, the (re-)skilling of workers for future industries, and secured access for local populations to essential resources, such as land and water.

“True Partnerships” provide a framework for international cooperation on a just transition. They combine two essential dimensions: Horizontally, justice between countries of the Global North and India is pivotal. Vertically, collaboration between different levels of stakeholders, especially those most vulnerable and most at risk of the climate crisis, is prioritised to ensure that climate and energy goals are met without leaving anyone behind. This brief presents the principles of a True Partnership for a just transition and outlines the benefits and necessary steps for India and the Global North to establish it.

1 India’s current transition initiatives

Like the country itself, the scale for a just transition in India is vast and its ramifications complex. Central to achieving climate goals remains the decarbonisation of the power sector, with the Indian energy mix still dominated by fossil fuels. Despite the rapid expansion of renewables, coal continues to power India and directly or indirectly employs an estimated 3.6 million people in mining and power generation. A just transition away from coal must recognise the central role it plays in energy security and livelihoods in India. Likewise, the growth of renewables, in particular through large-scale solar projects, can cause serious environmental and social costs for local populations. Moreover, the path towards a low-carbon economy will go far beyond the supply side of power and change industry, transport, and construction sectors. For instance, the sale of electric vehicles must significantly accelerate in the coming decades, which not only requires manufacturing capacities and charging infrastructure but also creates potentially fatal pressures along the value chain to adapt, in particular for micro, small, and medium businesses. A just transition in India therefore comes with a set of challenges that must be reflected in international cooperation efforts.

Still, India is already taking significant steps towards strong climate action. Key initiatives are rooted in its National Action Plan on Climate Change (NAPCC), launched in 2008, including eight missions focused on specific areas, from renewable energy to water management. The major National Solar Mission, for instance, targets the installation of 175 GW solar power capacity by 2030. The overall renewable energy target was meanwhile updated to 500 GW installed capacity by 2030. Various initiatives from incentives for domestic manufacturing to investments in electricity infrastructure build on the NAPCC. With a stated target to reach net zero emissions by 2070, a long-term low-carbon development strategy was published in 2022, linking climate action with economic development. Prime Minister Modi has also launched the “LiFE - Life-styles For Sustainable Development” campaign, focusing on sustainable individual consumption. The plethora of national initiatives demonstrate the Indian government’s interest in the benefits of a low-carbon economy.

At the sub-national level, some Indian states have also taken specific steps in this direction. Aside from creating targeted incentive structures for green industries, some coal-reliant states are engaging directly with affected communities. In Jharkhand, a dedicated taskforce is mapping the impact of coal mining on local communities. In Chhattisgarh, the government is cooperating with civil society to understand challenges of transition for coal workers. Gujarat and Jharkhand have announced coal phase-outs; other states are in the process of studying the options. Universities, thinktanks, and civil society have been instrumental in spurring government efforts. The renowned IIT Kanpur in Uttar Pradesh is running a Just Transition Research Centre and, in 2021, the thinktank iFOREST in Delhi launched a dedicated Just Transition Centre. Finally, numerous local activists, communities, and unions have long advocated for a just transition. They are highlighting the persisting need to develop green industries locally, ensure energy access and welfare programmes, and equip formal and informal workers alike with the necessary education and training to benefit from a green economy. Their work is cutting the contours of a True Partnership and must be a vantage point for future cooperation.

India's just transition requires a comprehensive approach that addresses the country's energy challenges, ensures social equity and environmental sustainability, and synergises with initiatives at all levels. A True Partnership between India and the Global North can support existing national and sub-national efforts in this regard.

2 Principles for True Partnerships

The dual directionality of True Partnerships for a just energy transition – horizontally fair and vertically inclusive – updates traditional cooperation models. Instead of one-sided and standardised prescriptions, True Partnerships promote collaboration on programmes built for specific (sub-)national, regional and sectoral contexts. Moreover, True Partnerships oppose top-down decision-making and insular implementation and emphasise active cooperation across different levels of society, in particular with locals and vulnerable communities. A True Partnership between India and the Global North should therefore follow certain principles, including:

1. **Equity and Fairness:** A True Partnership is based on common but differentiated responsibilities and respective capacities and takes into account a country’s specific national circumstances. The onus to achieve climate equity, or justice, on an international level lies with the Global North, given higher historical and per capita emissions. Likewise, the Partnership must ensure the fair distribution of benefits within a national context, mindful of existing inequalities and power asymmetries.

2. **Democracy and Good Governance:** A True Partnership is inclusive, participatory, and transparent – in short, people-led. It should involve all stakeholders meaningfully in decision-making processes from the start, especially affected and marginalised groups, such as workers and women. It should enlarge civil society participation in decision-making.
3. **Justice:** Distribution-, procedural-, restorative-, and intergenerational justice is part of the DNA of a True Partnership. The Partnership must support the implementation of the Sustainable Development Goals (SDGs), among them poverty eradication (SDG 1), decent work (SDG 8) as well as gender equality (SDG 5) to benefit especially vulnerable communities, including low-income households and communities, women, and marginalised groups, and not unfairly or adversely impact vulnerable sections of society.
4. **Ambition and Sustainability:** A True Partnership ensures that the energy transition is sustainable and environmentally sound, encourages stakeholders to raise climate action ambition, and works collaboratively to curb global temperature rise in line with the 1.5°C limit. As such, it furthers a range of SDGs, from improving air and water quality (SDG 6) to the protection of biodiversity (SDG 15).
5. **Financial Support:** Financing makes use of a country-appropriate mix of financial tools. The transition must not disrupt national or sub-national revenue streams and must guarantee social protection systems to provide securities, compensation, and training to those affected by the transition and the climate crisis through grants. Thus, True Partnerships should provide backing to areas that often lack funding and act as catalysts for further investments, e.g. in the renewable energy sector. True Partnerships need to be integrated into the wider climate finance ecosystem and used as a mechanism to mobilise more climate finance in all partner countries. Crucially, they should not replace existing commitments.
6. **Technology Cooperation:** A True Partnership emphasises the vital role of technological collaboration. Leveraging innovation and technology to accelerate a just transition is essential. The Partnership should champion the promotion and joint deployment of tailored solutions, such as green hydrogen production to decarbonise heavy industries and resource efficiency measures. Also, it is vital to foster exchange of technological know-how, local expertise, and best practices between partners.
7. **Capacity building and Skilling:** All stakeholders, from ministries to provincial officials, local communities, and workers must be empowered to meaningfully participate in, shape, and implement the policies of a just transition. Further, grants must ensure that affected local communities have the resources, skills, and training necessary to work and thrive in a low-carbon economy.

3 Benefits of True Partnerships

Building on the general principles of a True Partnership for a just transition, outlined above, can bring significant benefits to partners. Some of the most important include:

Justice and equity:

- Social justice is essential to a substantially just transition. The Partnership supports India's transition as an act of empowerment of its people that benefits all stakeholders, including farmers and landless labourers, small and medium-sized enterprises, and coal workers. Jointly setting terms, targets, and the agenda of the Partnership builds stability and trust internationally and domestically, and ultimately ensures the strengthening of public goods, such as health and education.

- A more equitable world benefits everyone in the long term. A True Partnership ensures that India will see substantial financial investments and rectify existing support from, for example, Germany or the G7 - a crucial contribution to climate justice and an improvement on North-South relations more broadly.

Climate Action:

- Assisting India and the Global South in its energy transition is a matter of moral responsibility given the Global North's historical emissions, as the impacts of climate change are being disproportionately felt in the Global South. A successful partnership demonstrates the Global North's ability and resolve to act on its own commitments for decarbonisation and international support. It is also a practical necessity for achieving global climate goals, which would be unrealistic without strong cooperation with countries such as India.
- A True Partnership supports and complements India's efforts to realise its nationally determined climate targets and those of her partners. The Partnership also integrates with existing initiatives, such as the International Solar Alliance and the Lifestyles for Sustainable Development campaign.

Economic development:

- The energy transition can generate new and high-quality jobs and attract investment, supporting India's economic development. Particularly the renewable energy sector, manufacturing and R&D can enhance India's position as a global economic hub. De-centralised and local initiatives are particularly promising for creating deep-seated economic empowerment that reaches communities.
- The Global North can tap into the vast Indian market and its growing demand for goods, services, and technologies, up- and downstream the just transition. It can build new capacities within India but also secure growth and jobs at home. Finally, India's transition supports the diversification of supply chains and is an opportunity to de-risk business globally.

Geopolitical importance:

- Transitioning towards a low carbon economy can improve India's energy security and self-reliance by reducing its dependence on fossil fuel imports. Moreover, India can build on its international reputation as a potent actor in the climate crisis. This will further reinforce the country's rising status in the international community and increase its influence in international climate negotiations and other fora such as the G20.
- Closer cooperation with India strengthens the Global North's position in Asia and addresses growing concerns for interdependencies and a free and open Indo-Pacific. It recognises shifting geopolitical realities and builds diplomatic trust that can reverberate into other areas of cooperation with India and the Global South, such as security, trade, and artificial intelligence.

4 Next steps for the Global North and India

Establishing a True Partnership is a complex task and requires much political goodwill and effort on all sides. Among the most important steps for India and the Global North are:

Global North

1. **Acknowledge the Indian circumstances.** A just transition is part of India's larger low-carbon development pathway that ensures access to energy, decent jobs, health, education, and building a thriving economy, and is not limited to a single fuel or sector. Thus, listen to and learn from a diverse set of stakeholders and viewpoints, build in-depth knowledge about India, and provide adequate resources to affected communities and civil society actors to participate in the process.
2. **Reflect on and change cooperation.** Consolidate political commitments, in particular on climate financing, with existing cooperation models and policies. Seriously scrutinise the (flawed) assumptions that undergird previous partnership approaches and prioritise India's needs to chart a just and low-carbon development pathway. Also, bring True Partnership principles into existing initiatives, such as the Climate Club and Just Energy Transition Partnerships.
3. **Walk the talk on finance.** The Global North needs to accelerate its own decarbonisation. At the same time, it is imperative to work on increased, matching climate finance to support India's just energy transition. Priority must be given to grants and highly concessional loans to fund renewables, skill- and capacity building, as well as community empowerment measures that are locally anchored, socially impactful, and sustainable.
4. **Reform the multilateral system.** Climate cooperation cannot be isolated from other global issues, especially the SDGs. Thus, a comprehensive approach is necessary that supports reforms of the multilateral system, including the UN institutions, global taxation, technology exchange, and multilateral development banks. The latter may include the implementation of the G20 CAF recommendations to improve the banks' lending capacity.

India

1. Consolidate a **comprehensive transition roadmap** as a basic framework for cooperation. Broadly, this entails defining economic, climate, and social goals in line with the True Partnership principles and measures to achieve them in a just manner.
2. Develop an **enabling policy environment** that ensures long-term political acceptance for a just transition, through inclusiveness and economic opportunity. A central instrument is social protection systems that spur skill development, innovation, and incentivise green investments. Policies may also target small and medium enterprises, given their potential to create broad employment.
3. **Strengthen capacities** of all stakeholders to support a just transition. This pertains to institutional capacities of, for example, government units for planning and implementation. But it also refers to the community level, where capacities for participation, monitoring, and evaluation can be built through dialogue platforms and dedicated participation strategies to ensure justice, equity, and reflexivity of the process.

4. **Mobilise financing** for a just transition, while giving due consideration to domestic financing options, like green bonds. Additionally, identify funding needs of domestic stakeholders, such as (re-)skilling and up-skilling of workers as part of a finance plan to attract national and international private investment in energy, transportation, and infrastructure sectors.
5. **Build partnerships and networks** with key stakeholders, including civil society organisations, the public and private sector, and international institutions. Broad international cooperation can provide the financial and technological means, while intranational cooperation, community engagement, and participation ensure planning and implementation of policies in accordance with the True Partnership principles. Without a diverse and empowered set of stakeholders – in particular those most affected by the transition and the climate crisis - there can be no just transition.

5 Conclusion

A True Partnership between the Global North and India can greatly benefit just transition efforts. However, it needs to build on strong principles of trust and respect and requires an open and collaborative approach that promotes mutually beneficial cooperation at all stakeholder levels. Such a partnership will provide finance, technology, policy support, private sector engagement, skill building, and much more to a broad and comprehensive transition. India has already become a global leader in renewable energies and its G20 Presidency has opened up the possibility to usher in a new generation of international partnerships between North and South on equal and fair terms. Countries of the Global North, through the G7, the Climate Club, or other fora, now need to act based on True Partnerships, for a low-carbon future that is truly sustainable and just for all.

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